

REMARKS

Applicant has carefully reviewed and considered the Office Action mailed on July 18, 2006, and the references cited therewith.

Claims 1, 4, 5, 7, 8 and 9 are currently amended, claim 6 is cancelled, claims 2 and 3 are original, claims 10 and 11 are previously presented, and claims 12-17 are new; as a result, claims ~~1-5 & 7-17~~ ~~1-17~~ are now pending in this application.

§103 Rejection of the Claims

Claims 8-11 were rejected under 35 USC § 103(a) as being unpatentable over Jones et al (U.S. 6,363,164 B1) in view of Tedesco (U.S. 2002/0065579 A1).

As discussed in greater detail below, applicant believes that the rejection of the claims by the Examiner is in part, based upon a misunderstanding of the scope and intent of the present invention as described in claims 1-11. Accordingly, by the foregoing amendments to the claims, the applicants seek to more clearly describe what is understood as their invention. Once the invention is more clearly understood, it should be appreciated that the proposed combination of references which the Examiner suggests would not render obvious the present invention. Indeed, it is to be noted that applicants submit that the proposed combinations of the references to create a § 103 rejection would be ineffective as against the present invention even as originally claimed, as the proposed combinations do not contemplate the asserted incentive for the modification suggested by the Examiner.

Claims 8 and 9 have been amended to more clearly point out the applicability of this invention as related to a simple modification/improvement for existing vending machines which are controlled by vending machine controllers using a standardized protocol program and previously where configured with a coin acceptor/changer and a bill validator only.

It is understood by those of ordinary skill in the vending industry, that vending machines are typically comprised of a cabinet primarily designed for accepting, securely holding, displaying, and dispensing products of various sizes and/or types and are controlled by a vending machine controller which operates based on a standard vending machine protocol program. Vending machines typically house other peripheral devices to facilitate the performance of the primary vending functions for such products. Peripheral devices such as a coin acceptor/changer and/or bill acceptors are normally produced and supplied by other specialized equipment

manufacturers and suppliers. In order to maximize the useful life of vending machines, the compatibility and interchangeability of such vending machine peripheral devices with both old and new vending machines is made possible by the vending machine controller's programming being based on said standardized vending machine protocol program. Typically most of these existing vending machines were practically limited in the denomination of acceptable bills by the amount of change stored in the coin acceptor/changer. Depending on product pricing this limitation usually prevented the acceptance of bills above \$1 and/or \$5. The instant invention provides the ability to modify such vending machines by replacing the original money handling system with the inventive system which is of a size and configuration to be received in the location previously occupied by the original money handling system without extensive reconfiguration or redesign. This clarification of the applicability of the instant invention is discussed in the specification in paragraphs 33.

Jones does not teach or claim a vending machine incorporating a bill acceptor-dispenser that can physically fit into the space reserved for such a peripheral device or electrically communicate with the vending machine controller by means of a standardized vending machine protocol program, to provide one or more of the described enhancements of higher denomination bill acceptance and escrowed bills dispensed as change.

As previously discussed in the prior amendment which was successful in overcoming the direct application of the Jones reference, Jones is directed to an ATM type of machine that may be found for example in a bank or banking station. The Jones machine is essentially an ATM that can both accept currency and dispense currency. The Jones reference does not in any way also address the dispensing of commercial products which is the subject matter of the vending machine application in claims 1-17 in the present application. The Examiner acknowledged that the Jones reference does not properly anticipate the claims as previously proposed by withdrawing the 35 U.S.C. § 102 rejection of previous claims 8 and 9.

Nonetheless, the Examiner proposes the addition of the teaching of Tedesco, citing in specifically paragraph 60 and Fig. 2 of Tedesco, as suggesting a vending machine embodiment of an automatic teller machine (ATM). The Examiner then indicates that both Jones and Tedesco are analogous art because they both concern currency handling including paper money handling.

By comparison to the Examiner's characterization, however, the Tedesco patent is not directed to the combination of an ATM machine with a vending machine. Instead, the Tedesco

patent is particularly directed to a device which allows for the marketing of products or surveys to be incorporated into another device which, for convenience of the application, Tedesco identifies broadly as being a vending machine. Indeed, Tedesco specifically includes a statement within the application to define the term “vending machine” and give it a special definition only for the scope and purposes of that application as he was permitted to do under standard claim construction protocols adopted by the Federal Circuit. Accordingly, for purposes only of the application, Tedesco defines “vending machine” as “any automatic sales machine that allows payment to be exchanged for goods such as food products dispensed from snack or beverage machines, pub currency dispensed from automatic teller machines (ATMs) coins dispensed from paid telephones or slot machines, or the like. *See ¶25* of Tedesco. In that context, Tedesco is not attempting to assert that he is proposing a combination of an ATM machine and a vending machine.

Instead, the paragraph referenced by the Examiner, paragraph 60 of Tedesco, merely indicates that the implementation of the marketing device according to Tedesco may be implemented into the vending machines according to that broad definition which, according to the definition, includes ATMs. *See ¶60* of Tedesco. Accordingly, Tedesco does not actually contemplate the combination of a bill validation device in combination with a bill dispensing device of an ATM machine all incorporated into a machine for vending commercial products. Since the primary direction of the Tedesco reference has to do with the method and apparatus to allow the marketing and sale of products or surveys, the reference is not particularly concerned with the methodology which is the subject matter of the present invention. Instead, the Tedesco reference is primarily directed to allowing the marketing and promotion of items to people who are otherwise waiting for the utilization of a device such as a vending machine. According to Tedesco: “the present invention recognizes the customers making a purchase at a vending machine are captive audiences from marketing opportunities.” *See ¶ 9* of Tedesco.

Accordingly, based upon a complete reading of Tedesco, there is no incentive or contemplation of combining a vending machine having a bill acceptor with an ATM device to dispense bills according to Jones. Indeed, the Tedesco reference specifically identifies the types of bill validation devices that may be incorporated in paragraph 31. Of the devices identified, only the AE-2400 product available from Mars Electronics, Inc. is a bill handling device. *See ¶ 31*. The other devices, the MC-5000 and TRC-200 from Mars Electronics, Inc. as well as the model 9300-L available from Coin Acceptors, Inc. are all coin handling devices not bill

validation devices. With respect to the AE-2400 bill validation device which is identified in paragraph 31, it has no ability to recycle currency which is the subject matter of the present application. In fact, in Figure 4 of Tedesco, the “currency storage database” used to keep track of the “currency” available for dispensing as a reward is shown to consist of only nickel, dime and quarter coins. Accordingly, since Tedesco actually did contemplate the utilization of a bill validation device within his marketing assembly and did not therein also call for the acquisition and dispensing of notes utilized to purchase product, the proposed combination fails because there is no proper motivation to combine and because the references do not fairly suggest that there would be a benefit to the combination proposed by the Examiner.

Claims 9-11 specifically provides for the display of acceptable note denominations on the “bezel assembly” of the bill acceptor-dispenser which is typically the only portion of the bill accepter-dispenser which is viewable from the outside of the vending machine with the door closed. Neither Jones nor Tedesco teach or show a bezel assembly on which is displayed a visual indication of the larger denominations of notes that can be accepted by the inventively modified vending machine to purchase a product offered for sale by the vending machine.

Claims 1-7 were rejected under 35 USC § 103(a) as being unpatentable over Jones et al (U.S. 6,363,164) in view of Tedesco (U.S. 2002/0065579 A1) and further in view of Katou et al (U.S. 2004/0182677 A1).

As previously described for independent claim 8, independent claims 1 and 7 have been amended to more clearly describe what is understood as their invention. The instant invention provides the ability to modify existing vending machines by replacing the original money handling system with the inventive system which is of a size and configuration to be received in the location previously occupied by the original money handling system without extensive reconfiguration or redesign. The improvement enabling the modified vending machine to accept higher denomination notes and provide proper change as a combination of coin and recycled lower denomination notes.

Neither Jones nor Tedesco suggest or teach this enhancement to a standard vending machine to enable these features as described earlier.

Katou, like Jones above, discloses only an ATM machine which accepts multiple denomination bills and dispenses notes. The Katou reference does not in any way also address the dispensing of commercial products which is the subject matter of the vending machine application in claims 1-7 in the present application. And certainly Katou in no way suggests how such capability could be provided within such an existing vending machine cabinet at a location previously occupied by prior bill validating devices without requiring extensive reconfiguration or redesign.

Neither Jones, nor Tedesco, nor Katou suggest or teach the limitations of claims 1-7 for modifying an existing vending machine without extensive reconfiguration or redesign to allow a transaction involving larger bill denominations that exceed the previous capacity of the vending machine and vending machine controller controlling the operation of the vending machine based on a standardized vending machine protocol program.

Claims 2-6 are dependent on claim 1 and should also be found novel as further detailed restrictions of claim 1.

Claims 12 – 17 have been added to cover additional features in conjunction with the previously presented claims and provide additional novelty to the already discussed independent claims 1, 7, & 8. No new material has been added and each is supported in the original specification as described below. Claims 13-17 are supported in the specification in figures 8 and 9 and in paragraphs 65 to 69.

The Examiner further argued that Jones and Katou provide teachings for creating a bill handler as described in the previous claims, and that Tedesco provides teaching for using such a bill handler system in a vending machine, i.e., by creating a combination vending machine and ATM.

As detailed more specifically above, Tedesco does not actually contemplate the combination of a bill validation device in combination with a bill dispensing device of an ATM machine all incorporated into a machine for vending commercial products.

It is respectfully submitted that the proposed combinations of references are not analogous as suggested by the Examiner. Indeed, the three references come from different classes and international classifications, suggesting that they are not in fact analogous. If they

were, they would be found in the same class within the patent office's filing system. Moreover, the ATM machines are specific to their own genre of products. They are very distinct from vending machines which are intended to handle money and vend products. In a vending machine, the commercial products are the focus of the machine, and as mentioned before, it is thus desirable to maximize the space available for products so that the maximum revenue can be derived from the vending machine. Accordingly, the bill acceptor portion of a vending machine is necessarily configured to be as small as possible. This is not the case with respect to the ATM devices of Katou and Graef. An ATM device is preferably large, so as to minimize the risk of an improper attempt to remove the ATM machine from its location. Thus, standard ATM machines are effectively quite large and secured to a point where they cannot be easily removed from the premises.

Accordingly, it is respectfully submitted that the foregoing effectively invalidates the Examiner's position with respect to the claims 1-11, it is worth noting that the applicant has provided additional clarifications to the claims as discussed hereinabove to make these claims more clearly describe the concept. The claims have been amended so as to make clear that the acceptor-dispenser-validator system is of a size and configuration to be received within a vending machine at the location previously occupied by the prior coin acceptor/changer and bill validating devices so that no extensive reconfiguration or redesign of said vending machine is required. This clarification has being incorporated into each of the independent claims. By this clarification, there is no doubt that the ATM devices according to Jones and Katou do not satisfy this configuration as they are not configured to accept money to pay for commercial products and then have the balance of the payment received less the cost of the product be returned as change in the form of coins and notes. Also, the Tedesco vending machine reference relied upon by the Examiner does not contemplate having a bill recycling device at all. It instead refers to commonly known products in the bill handling for vending machines. Prior to the present invention and the development of applicant's products, there were no bill recycling devices or vending machines which allowed a bill to be inserted, escrowed and dispensed as change. This is a particularly beneficial advantage in the vending machine industry as it accommodates the fact that purchasers may want to purchase items with large denomination bills and they do not want to receive a substantial number of coins as change, nor do the operators of the vending machines wish to have the additional overhead associated with consistently replenishing the

coins in the vending machine so as to allow the dispensing of products in exchange for, as an example, a \$20 bill for a \$.75 product.

Conclusion

Applicant respectfully submits that claims 1-17 are now in condition for allowance and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's agent (702-651-0000) to facilitate prosecution of this application.

Respectfully submitted,

Date

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